

The House Committee on Economic Development and Tourism offers the following substitute to SR 135:

A RESOLUTION

Proposing an amendment to the Constitution so as to authorize the Georgia General Assembly to provide by general law for sports betting and other forms of betting and gambling in this state; to provide for the regulation and allocation of revenues of such activities; to provide for related matters; to provide for the submission of this amendment for ratification or rejection; and for other purposes.

BE IT RESOLVED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Article I, Section II of the Constitution is amended by revising Paragraph VIII as follows:

"Paragraph VIII. ~~Lotteries, and nonprofit bingo games.~~ Lotteries, bingo games, raffles, sports betting, and other forms of betting and gambling. (a) ~~Except as herein specifically provided in this Paragraph VIII, all~~ All lotteries, ~~and the sale~~ sales of lottery tickets, and all forms of ~~pari-mutuel betting~~ bingo games, raffles, sports betting, and casino ~~all other forms of betting and gambling are hereby prohibited, and this prohibition shall be enforced by penal laws~~ shall be lawful if so permitted by the General Assembly as provided by law.

(b) The General Assembly may by law provide that the operation of a nonprofit bingo game shall not be a lottery and shall be legal in this state. The General Assembly may by law define a nonprofit bingo game and provide for the regulation of nonprofit bingo games.

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(c) The General Assembly may by law provide for the operation and regulation of a lottery or lotteries by or on behalf of the state and for any matters relating to the purposes or provisions of this subparagraph. Proceeds derived from the lottery or lotteries operated by or on behalf of the state shall be used to pay the operating expenses of the lottery or lotteries, including all prizes, without any appropriation required by law, and for educational programs and purposes as hereinafter provided. Lottery proceeds shall not be subject to Article VII, Section III, Paragraph II; Article III, Section IX, Paragraph VI(a); or Article III, Section IX, Paragraph IV(c), except that the net proceeds after payment of such operating expenses shall be subject to Article VII, Section III, Paragraph II. Net proceeds after payment of such operating expenses shall be separately accounted for and shall be specifically identified by the Governor in ~~his~~ the annual budget presented to the General Assembly as a separate budget category entitled 'Lottery Proceeds' and the Governor shall make specific recommendations as to educational programs and educational purposes to which said net proceeds shall be appropriated. In the General Appropriations Act adopted by the General Assembly, the General Assembly shall appropriate all net proceeds of the lottery or lotteries by such separate budget category to educational programs and educational purposes. Such net proceeds shall be used to support improvements and enhancements for educational programs and purposes and such net proceeds shall be used to supplement, not supplant, non-lottery educational resources for educational programs and purposes. The educational programs and educational purposes for which proceeds may be so appropriated shall include only the following:

(1) Tuition grants, scholarships, or loans to citizens of this state to enable such citizens to attend colleges and universities located within this state, regardless of whether such colleges or universities are operated by the board of regents, or to attend institutions operated under the authority of the ~~Department of Technical and Adult Education~~ Technical College System of Georgia or its successor;

(2) Voluntary pre-kindergarten;

(3) One or more educational shortfall reserves in a total amount of not less than 10 percent of the net proceeds of the lottery for the preceding fiscal year;

(4) Costs of providing to teachers at accredited public institutions who teach levels K-12, personnel at public postsecondary technical institutes under the authority of the ~~Department of Technical and Adult Education~~ Technical College System of Georgia or its successor, and professors and instructors within the University System of Georgia or its successor the necessary training in the use and application of computers and advanced electronic instructional technology to implement interactive learning environments in the classroom and to access the state-wide distance learning network; and

(5) Capital outlay projects for educational facilities; provided, however, that no funds shall be appropriated for the items listed in ~~paragraphs (4) and (5) of this subsection~~ subparagraphs (c)(4) and (c)(5) of this Paragraph until all persons eligible for and applying for assistance as provided in ~~paragraph (1) of this subsection~~ subparagraph (c)(1) of this Paragraph have received such assistance, all approved voluntary pre-kindergarten programs provided for in ~~paragraph (2) of this subsection~~ subparagraph (c)(2) of this Paragraph have been fully funded, and the education shortfall reserve or reserves provided for in ~~paragraph (3) of this subsection~~ subparagraph (c)(3) of this Paragraph have been fully funded.

(d) On and after January 1, 1995, the holding of raffles by nonprofit organizations shall be lawful and shall not be prohibited by any law enacted prior to January 1, 1994. Laws enacted on or after January 1, 1994, however, may restrict, regulate, or prohibit the operation of such raffles.

(e)(1) The General Assembly may by law authorize, regulate, and tax sports betting in this state.

(2) Except as provided for in subparagraphs (e)(3) through (e)(5) of this Paragraph, all proceeds derived by the state or any of its instrumentalities from sports betting, including, but not limited to, licensing fees, fines, assessments, and penalties, shall be used to pay

72 for the operating expenses of any instrumentality of the state related to sports betting
73 without any appropriation required by law. The General Assembly may provide by law
74 for the allocation of such proceeds among instrumentalities of the state and other
75 regulatory bodies of the state, if applicable.

76 (3) Up to 10 percent of any franchise fees or royalty fees or any combination thereof
77 that the General Assembly may authorize by law for an instrumentality of this state to
78 charge for granting the ability to engage in sports betting in this state shall be used to pay
79 for the operating expenses of such instrumentality of the state related to sports betting
80 without any appropriation required by law. The remaining percentage of such franchise
81 fees or royalty fees shall be accounted for, identified, and appropriated for those purposes
82 provided for in subparagraph (e)(5) of this Paragraph for proceeds derived from the
83 taxation of sports betting.

84 (4) Up to 20 percent of all licensing fees imposed as part of the regulation of sports
85 betting shall be placed in a Georgia Marketing Seed Fund that the General Assembly is
86 authorized to create by law from which funds shall be disbursed in the form of grants or
87 other methods for the costs and expenses associated with hosting major sporting events
88 within this state. The moneys paid into the Georgia Marketing Seed Fund shall not be
89 subject to the provisions of Article III, Section VI, Paragraph VI or Article III, Section
90 IX, Paragraph IV(c). The remaining percentage of all licensing fees shall be used to pay
91 for the operating expenses of any instrumentality of the state related to sports betting as
92 provided in subparagraph (e)(2) of this Paragraph.

93 (5) The proceeds derived from the taxation of sports betting shall not be subject to
94 Article VII, Section III, Paragraph II; Article III, Section IX, Paragraph VI(a); or Article
95 III, Section IX, Paragraph IV(c). Such proceeds shall be separately accounted for and
96 specifically identified by the Governor in the annual budget presented to the General
97 Assembly as a separate budget category entitled 'Sports Betting Proceeds' and shall be
98 appropriated for the following purposes:

99 (A) Fifty percent to the educational programs and educational purposes provided for
100 in subparagraphs (c)(1) and (c)(2) of this Paragraph; and

101 (B) Fifty percent for the provision of tuition grants, scholarships, loans, or other
102 educational services to citizens of this state whose household income is below the
103 median household income in this state as the General Assembly shall provide by law
104 to enable such citizens to obtain a postsecondary education in this state.

105 (f)(1) As used in this subparagraph, the term 'other forms of betting and gambling'
106 means any form of betting or gambling, including, but not limited to, pari-mutuel betting
107 and casino gambling, not provided for in subparagraphs (b) through (e) of this Paragraph.

108 (2) The General Assembly may by law authorize, regulate, and tax other forms of
109 betting and gambling in this state; provided, however, that if the General Assembly
110 authorizes pari-mutuel betting or casino gambling, it shall by law restrict such activities
111 to counties in this state of which the majority of the electors have voted in a referendum
112 to allow such activities.

113 (3) Except as provided for in subparagraphs (f)(4) and (f)(5) of this Paragraph, all
114 proceeds derived by the state or any of its instrumentalities from other forms of betting
115 and gambling, including, but not limited to, licensing fees, fines, assessments, and
116 penalties of other forms of betting and gambling, including, but not limited to,
117 pari-mutuel betting and casino gambling, shall be used to pay for the operating expenses
118 of such regulation without any appropriation required by law. The General Assembly
119 may provide by law for the allocation of such proceeds among instrumentalities of the
120 state and other regulatory bodies of the state, if applicable.

121 (4) The General Assembly may appropriate up to 20 percent of the licensing fees
122 imposed as part of the regulation of pari-mutuel betting and casino gambling into a
123 Georgia Arts and Entertainment Venue Fund that the General Assembly is authorized to
124 create by law from which funds shall be disbursed in the form of grants or other methods
125 for supporting operational losses to arts and entertainment venues from pari-mutuel

betting and casino gambling. The remaining percentage of such licensing fees shall be used to pay for the operating expenses of the regulation of other forms of betting and gambling as provided in subparagraph (e)(3) of this Paragraph.

(5) The proceeds derived from the taxation of other forms of betting and gambling shall not be subject to Article VII, Section III, Paragraph II; Article III, Section IX, Paragraph VI(a); or Article III, Section IX, Paragraph IV(c). Such proceeds shall be separately accounted for and specifically identified by the Governor in the annual budget presented to the General Assembly as a separate budget category entitled 'Betting and Gambling Proceeds' and shall be appropriated by the General Assembly for the following purposes:

(A) Fifty percent for health care services, including, but not limited to, programs to support health care workers and hospitals, to increase the accessibility and availability of mental health treatment and substance abuse treatment, and other health related programs;

(B) Twenty percent for economic development services and programs in this state in less developed areas or less developed census tract areas. For purposes of this subparagraph, the term:

(i) 'Less developed areas' means those counties ranked as the first through the seventy-first least developed counties in this state using a combination of the equally weighted factors of the highest unemployment rate, the lowest per capita income, and the highest percentage of residents whose income is below the poverty level; and

(ii) 'Less developed census tract areas' means areas in this state that are composed of ten or more contiguous census tracts, each of which ranks equal to or lower than the benchmark county on the economic indicators of the highest unemployment rate, the lowest per capita income, and the highest percentage of residents whose income is below the poverty level;

(C) Fifteen percent to the educational programs and educational purposes provided for in subparagraph (c)(2) of this Paragraph; and

(D) Fifteen percent for the provision of tuition grants, scholarships, loans, or other educational services to citizens of this state whose household income is below the median household income in this state as the General Assembly shall provide by law to enable such citizens to obtain a postsecondary education in this state."

SECTION 2.

The above proposed amendment to the Constitution shall be published and submitted as provided in Article X, Section I, Paragraph II of the Constitution. The ballot submitting the above proposed amendment shall have written or printed thereon the following:

"() YES Shall the Constitution of Georgia be amended so as to authorize the General Assembly to provide by law for sports betting and other forms of betting and gambling in this state for educational needs, health care services, and other purposes?"

All persons desiring to vote in favor of ratifying the proposed amendment shall vote "Yes."
All persons desiring to vote against ratifying the proposed amendment shall vote "No." If such amendment shall be ratified as provided in said Paragraph of the Constitution, it shall become a part of the Constitution of this state.